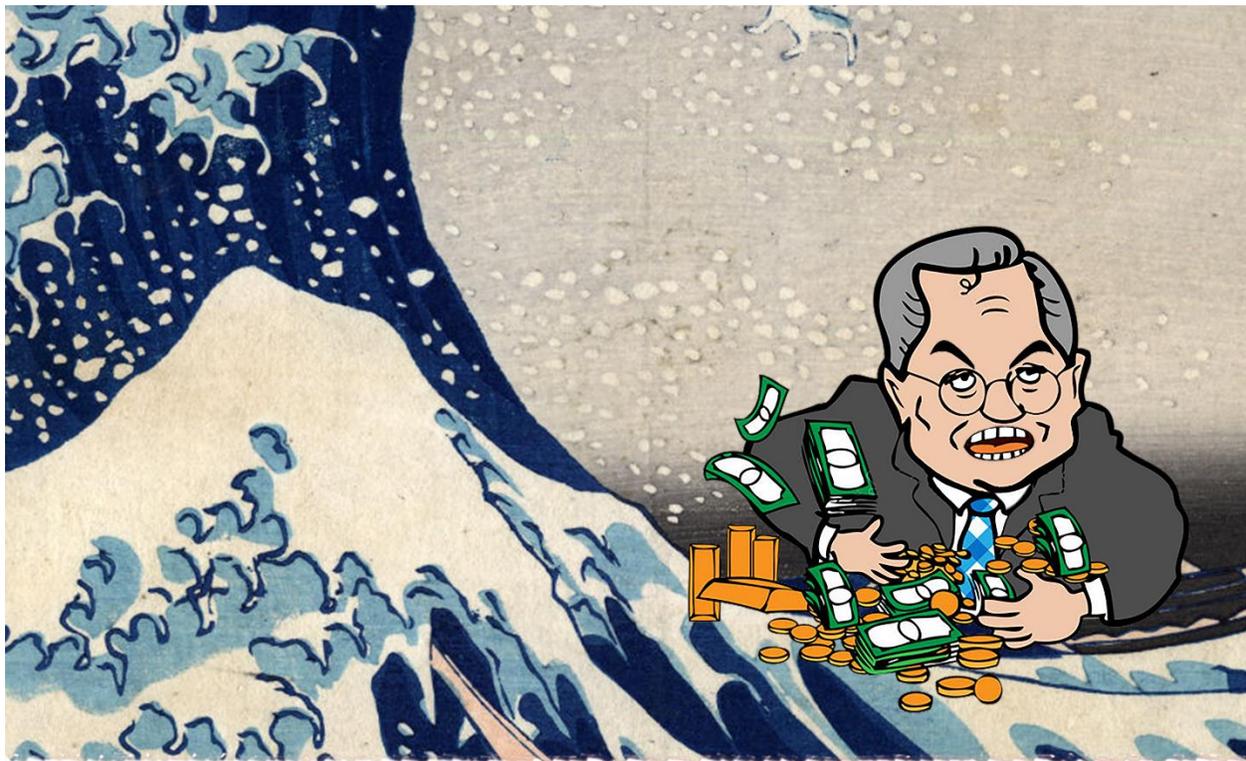




PSI Privatization Update: 20 March 2018

[Subscribe](#) to PSI's fortnightly newsletter, view it on-line or [download a PDF](#)



## THE TIDE IS TURNING: PUBLIC WATER WINS!

Across the world, a wave of remunicipalizations has delivered water services back into public hands, often after decades of private mismanagement. Yet the United Nations and many governments still seem convinced that we need Public-Private-Partnerships (PPPs) and private finance to achieve the Sustainable Development Goals (SDGs). They remain deluded by the false promises of PPPs, even as the [evidence of the crisis of privatization](#) is mounting.

Just look at the meltdown of many privatizations in the UK: even the Conservative Environment Secretary Michael Gove [is chastising the behaviour](#) of privatized water utilities. He recently highlighted how tariffs are too high, financial manipulations and tax avoidance are endemic, shareholder dividends swallow most of the profits, and CEOs pay themselves exorbitant salaries. And this from the party of Margaret Thatcher.

A [recent report](#) published by Public Services International and the Transnational Institute shows that since 2000 there have been at least 235 cases of water remunicipalization in 37 countries, affecting more than 100 million people.

The turning tide in the privatization debate is welcome news to workers, unions and the wider public. Now we need to [convince global leaders to go with the flow](#).

-----

In an open letter, [88 civil society organisations, including PSI](#), have urged investors to cease their support for the multi-national for-profit chain of private schools Bridge International Academies (BIA), which runs over 500 schools in Kenya, Liberia, Nigeria, Uganda, and India. These organisations are calling investors' attention to a series of concerning practices by BIA and the associated legal and reputational risks they incur. [According to the letter](#), BIA has been acting in defiance of the law and has a negative impact on the right to education of thousands of children in countries of Africa and other regions.

The signatory organisations **are calling on investors to exit in the shortest possible time from their investment in BIA, including investments via intermediaries, and to fully discharge their legal due diligence obligations and responsibilities** by making no further financing commitments to BIA.

-----

### **Will the World Bank Group do the same thing over and over and expect different results?**

The Independent Evaluation Group (IEG) of the World Bank issued a blog asking "[Are PPPs the Answer?](#)" After noting profound difficulties in implementing PPPs, the authors state:

"According to the 2016 World Bank Private Participation in Infrastructure (PPI) Database, the year 2016 experienced the lowest level of investment commitments compared with the previous 10 years.

The volume of PPPs in 2016, for example, decreased by 41 percent compared to the preceding five-year investment average of \$121.4 billion. A new report, Contribution of Institutional Investors to Private Investment in Infrastructure, paints an even gloomier picture: the current level of institutional investor activity in new infrastructure deals is only 0.7 percent of total private participation in infrastructure investment in emerging markets and developing economies (EMDEs).

This evidence points to the importance of the "Cascade Approach" in the Bank group's MFD (Maximizing Finance for Development) agenda, with its focus on remedying the obstacles that block private sector solutions. Helping client countries identify sound PPP opportunities and subsequently "de-risking" those through regulatory reform and building of national capacities appear more relevant than ever."

[Editor's Note :The [Cascade Approach](#) attempts to make it easier to attract private capital, and rests on the assumption that governments don't have enough funds. It means that government investment decisions would first try to apply market principles and dynamics, and only after those prove unsatisfactory, use public funds. However, when seeking to attract private capital and apply market dynamics, governments and development banks would be allowed to 'distort' by providing market actors guarantees against risk.]

## Africa & Arab Countries

As the world marked the global day for water, PSI Nigerian affiliates joined the Environmental Rights Action/Friends of the Earth (ERA/FoE) in [protest actions in Lagos](#) in a continued campaign to kick against plans by the Lagos State Government to privatize its water infrastructure. The ERA is also urging the Nigerian government to prioritize the protection of nature over profits by providing citizens with potable drinking water.

Watch video: <https://www.youtube.com/watch?v=sGejXHuYzPY&feature=youtu.be>

PSI affiliates in Nigeria in collaboration with ERA/FoE, Nigeria held a workshop in Lagos on 3-4 April on the theme “[Public Private Partnerships versus Public Sector Solutions](#).” Representatives from Ghana, Kenya, Uganda, and Rwanda also attended the meeting, where various forms of privatization are either being enforced or are in the offing

Democratic Republic of the Congo: Albert Malukisa Nkuku and Kristof Titeca of the University of Antwerp have provided a comprehensive analysis of the background to [the privatization of markets and public services in Kinshasa](#) and rise of private “rent seeking” over the past few decades. “The Marché de la Liberté has been repurposed as a vehicle for private rent generation through all these measures. Firstly, **the market isn’t governed as a state public entity**, but by agents who are financially and politically accountable to political elites. **Revenues are collected privately and beyond public scrutiny. Staff aren’t employed by the public administration but come from presidential networks.** Taxes are not collected by the mandated public servants but by individuals outside the public administration.”

Egypt: The government has announced its intention [to privatize 23 state companies through a share offering](#). “They included **Banque Du Caire, one of the country’s largest banks, major oil companies Middle East Oil Refining (MIDOR) and Engineering for Petroleum and Process Industries (ENPPI), as well as Misr Insurance Company.** The government had said that it intended to sell shares in dozens of state companies to boost public finances and draw more investors to the Cairo exchange, but had previously only identified a handful of companies as candidates.”

Gabon: The Gabonese State has accused French group Veolia of polluting the country and [has terminated the concession that binds it to Veolia](#), whose subsidiary in Gabon, SEEG, was responsible for the distribution of water and electricity. At the origin of this breach of contract, an inability for the French company to properly supply water and electricity to the population. The state also claims that negotiations for a new deal have failed.

Ghana: [The privatization of state assets has been characterized by fraud](#), says **Dr. Steve Manteaw, the Campaign Coordinator of the Integrated Social Development Centre (ISODEC)**. “The agreement has suffered some setbacks in the past because some workers of [Electricity Company of Ghana] complained that the deal is not in the interest of the country, hence the agreement was unable to go through in the previous administration. After government proposed the 51% local content, workers of ECG changed their stance however, the foreign partners also have issues with the new percentages being proposed.” But Manteaw “said **the move will not necessarily make ECG more efficient**, citing previous experiences in the case of P and T converted to Ghana Telecom and later sold to Vodafone.”

Kenya: Kisumu MPs have come out against [privatization of the sugar mills](#), saying there **hasn’t been “proper public participation”** and that privatization will hurt local cane farmers. “When I took over as the MP I found a bill in Parliament almost making the sugar industry ready for privatization,” MP Onyango K’oyoo (Muhoroni) said. “**The whole set up was going to be a rip off to the public that own shares.**” The Kenya Privatization Commission and

Governors from the Lake Region Economic Bloc [have agreed on the terms of privatization](#), but say the “doors remain open for alternatives.”

**Kenya:** [US giant Bechtel wants the government of Kenya to borrow the cash needed for the \\$3bn highway](#) from Mombasa to Nairobi, which Bechtel had been picked to build, and says the toll revenues will nearly double the government’s money in 25 years. That would be far more advantageous for the debt-laden government in the long run than a public-private partnership (PPP), which would mean Bechtel raises the cash itself through financial markets, the company says. But a Kenyan minister said the preferred approach is still PPP, which would keep the capital cost of the game-changing expressway off its books.

**Mali:** Djougal Mama Cisse, President of the Collective of Women Workers and Wives of Workers in the Huicoma, an oil production and marketing company, [denounces privatization](#). She said “Huicoma is a Malian company created to reduce unemployment but [was] **brutally privatized by the Malian authorities to Tomota Group**, which, according to her, **has no experience in the oil mill**. ‘Tomota, since its arrival, began to lay off 400 people. They referred all seasonal workers. They put us all in layoffs for three months and the government said nothing. **The state did not play its role of guarantor.**”

**Saudi Arabia:** [A feeding frenzy among private consultants](#) has been spurred by the “Vision 2030” program, which includes significant [“privatization and corporatisation”](#) policies. “Consulting work around the National Transformation Program (NTP) has helped Saudi Arabia’s consulting market grow 8.3 per cent to US\$1.29 billion in 2017 from US\$1.19 billion the previous year. Growth in Saudi Arabia, the GCC’s largest consulting market, will also continue to pick up speed in 2018, **with a double-digit growth rate (+10 per cent)** returning for the first time in three years.”

**Senegal:** [The Dakar city council](#) has adopted a 58 billion FCfa budget, but Councilor Ndiouga Sakho regrets what he calls “complete disorder in the life of Dakar. **There is a privatization of public space and it needs reorganization,**” said Sakho, who seeks the support of the sub-prefect of Dakar.”

**South Africa:** [The National Education Health and Allied Workers' Union \(Nehawu\)](#), [calls off its three-day national strike](#) after successful negotiations with the Department of Water and Sanitation. “Nehawu demanded that issues surrounding safety, **insourcing** and corruption be addressed.” Agreed-upon conditions “will be reviewed every 24 months going forward and a Consultative Chamber Task Team would be established by the department bargaining chamber to process issues,” including **“modalities of insourcing all outsourced services.”**

**Tunisia:** **Nathan Legrand of the Committee for the Abolition of Illegitimate Debts (CADTM) in Belgium** has analyzed the course of the Tunisian revolution, [including with regard to privatization and PPPs](#). “The liberals of Nidaa Tounes and pro-market fundamentalists of Ennahdha **have not been reluctant to implement the IMF’s structural adjustments**. In fact, the government has used successive finance laws to introduce most of the fund’s preferred policies. These initiatives **all aim to make public administration ‘more productive’ by privatizing ‘nonstrategic’ public companies or encouraging one of twenty-first-century capitalism’s favorite tools: public-private partnerships**. Tunisia’s three public banks have been undergoing a privatization process for the last two years. Despite these measures, private investors have demonstrated little interest in putting their money in Tunisia.” **Ines Mahmoud**, a political scientist and law graduate based in Tunis and [editor at Mosaik](#), [looks at the troubled history of privatization both before and after the revolution](#)—and gives a forecast of “Tunisia’s Next Revolution.”

**Tunisia:** The powerful UGTT trade union is denouncing the “demonization and smear campaign” being waged against it. “It said that the campaign was a reaction to the ‘independent positions’ taken by the union and **had intensified after the union took a stance against the privatization of public institutions**, criticized the government’s performance and called for ‘pumping new blood’ into state institutions.” Prime Minister Youssef Chahed met in early March with UGTT head Noureddine Taboubi **after Taboubi criticised the government’s performance**

in particular when it came to the privatization of public sector institutions. [BBC Monitoring in Arabic, 17 March and 6 March 2018]

Tunisia: The Ministry of State Domains and Land Affairs has [“denied any intention to privatize the housing land Agency \(AFH\) or other agencies within the department](#), according to a statement in Tunis. This development comes in response to a professional motion published by the syndicate of agents of AFH, in which **the union points out that the Minister of State Property and Land Affairs has called for the privatization of the agency.**

## Asia Pacific

Australia: Public service unions [have won the battle to keep five New South Wales hospitals from being privatized](#) thanks to the tireless efforts of the NSW Nurses and Midwives' Association, Australian Salaried Medical Officers' Federation of NSW, the Health Services Union NSW and local residents of Shellharbour, Maitland, Bowral, Wyong & Goulburn. **The Power of the people kept NSW In A Healthy State!**

[Watch video: <https://www.facebook.com/PSIglobalunion/videos/10155160149295718/>]

Australia: Contractors dealing directly with National Disability Insurance Scheme applicants [are not equipped to deal “with complex and emotional cases](#), an insider has revealed.” **Community and Public Sector Union secretary Nadine Flood** said participants “aren't getting the service they deserve. Churning through **short-term, profit-based contracts, with minimum training and experience**, is just not good enough, either for the people doing the work, or the people relying on the service,” Ms. Flood said.

Australia: The **New South Wales Nurses and Midwives' Association** says [“Not-for-profits are not the answer.”](#) NMA says “St. Vincent’s travails highlight **a common misconception about not-for-profit hospitals. Not-for-profit suggests they don’t care about making money—which they do. In fact, which they must.** They are subject to the same economic laws as other entities running complex organizations like a hospital. (...) Some of the American **not-for-profit hospitals are massive businesses.** The famous Cleveland Clinic has annual revenue of \$7.2 billion and has over 50,000 employees. Its 2016 profits were \$514 million. Over four years it made \$2.7 billion in profits. Its CEO, Toby Cosgrove, an adviser to Donald Trump, earned a tick under \$US5 million a year.”

Australia: The **Public Services Association (PSA)** has won their appeal to reduce a court fine for a Valentine’s Day 2017 action [to protest the total privatization of disability services in NSW](#). “The PSA/CPSU NSW is working with other unions on **the Change the Rules campaign.** (...) We are building a movement to change the rules to bring fairness back to Australia. Working people need better and stronger rights at work to ensure jobs are secure and our wages are fair.”

Australia: At the **PSA/Ministry of Health Joint Consultative Committee** meeting, the PSA “took the opportunity [to welcome the decision not to proceed with privatization of hospitals and expressed our total opposition to any further privatization in the health system.](#)”

Australia: After [a devastating parliamentary inquiry into GEO Group’s operation of the scandal-plagued Parklea prison](#), the New South Wales government says [GEO’s contract will be cancelled](#). The **Public Service Association has called on the state government to hand back the prison to public management**, but the Daily Mail reports that “the prison management contract will instead be taken over by either G4S, Serco or joint venture partners MTC/Broadspectrum in March 2019.”

Australia: [Newly elected South Australia Premier Steven Marshall has refused to rule out cuts to nurses and teachers jobs](#), saying his Liberal Party government would halve the emergency services levy and cut land tax. Ousted Labor Premier Jay Weatherill said Marshall's tax cuts **would be paid for by cuts and privatization**.

India: Poor people will suffer when [private hospitals stop central and state government health insurance schemes](#). "While state government has not given any response, Centre sought more time to resolve the issue."

India: Activists are to form a group [to curb the cost of medical aid, which is being driven up by privatized hospital services](#). "Speaking at the press conference, advocate Vaishali Chandane said, 'Even in a government hospital, like the Sassoon General Hospital, **the treatment is not completely free and patients have to pay for X-rays or lab tests. It seems that even the public hospitals are moving towards privatization which is sad.**' The members of the group have also demanded that the cost of medicines and injections, which are becoming costly, be controlled."

India: Member of the Gujarat Legislative Assembly Jignesh Mevani [was detained](#) along with former Congress MP Prabha Taviad in Dahod **for holding protests against the privatization of the Zydus Hospital and Medical College**.

India: Uttar Pradesh (UP) power employees have threatened to proceed on indefinite strike if the process of [privatization of power distribution divisions in seven districts](#) was not rolled back by the state government. Earlier this month, Energy minister Srikant Sharma had said in the Assembly that there was no plan to privatize electricity distribution. However, the UP Power Corporation Limited (UPPCL) has recently floated tenders to hand over work of power bill distribution, meter reading, revenue collection and installation, change of power meters to private companies — technically called Integrated Service Providers (ISPs) in seven districts.

Indonesia: [Indonesian Investment Minister Thomas Lembong](#) "[says] **well-paid bankers hold the key to solving infrastructure-funding problems across the region.** (...) [Indonesian President Joko Widodo] believes that the key to moving the money from here to there is securitization,' he said, noting that it was something 'Australia knows very well how to do,' **citing the Sydney airport privatization.**"

Malaysia: Hong Poh Fan, a senior adviser on facility management for a hospital developer, has written a book on "[Privatization of Facility Management of Public Hospitals: A Malaysian Perspective](#)." He "focuses on critical issues, including **successes and challenges of privatization implementation, hospital experiences in a Southeast Asian context** and how those experiences can be applied elsewhere, and ways that private development of hospitals has changed over time as well as the rationale of privatization."

New Zealand: Despite the government's [ending the privatization of public housing](#), the sector is still facing a crisis, says **Mike Treen, the National Director of Unite**. "The new government **has stopped the planned privatization of large parts of the state housing stock** of around 70,000 homes. At least another 30,000 had been built but these were sold off in previous years. But the current stockpile hasn't increased in decades. **The state housing stock has been starved of support for decades and become simply the place of last resort for the destitute.**"

New Zealand: The government has announced [the ending of charter schools](#), with Minister for Education Chris Hipkins calling them "**a failed, expensive experiment.**" The announcement was welcomed by the New Zealand Educational Institute (NZEI) and the Post Primary Teachers' Association, both affiliates of Education International (EI). NZEI National Secretary Paul Goulter said that charter schools were a "failed experiment—integrating them back into the state school system is good for kids and teachers because kids in mainstream state schools do better."

Pakistan: Operations at public hospitals in Multan and other southern districts were suspended on Wednesday 28 February after hundreds of paramedics rallied and called for a strike against the [proposed privatization of public hospitals](#). Protesters maintained that the privatization would cause a steep increase in the cost of health services and would eventually deprive the masses of the facility of free treatment.

Pacific Islands: In the New Zealand parliament, Green MP Golriz Ghahraman has raised concerns about the impact of a new trade agreement on small islands She says "[PACER-Plus is a trade agreement that involves Australia, New Zealand, and a handful of small Island nations](#). It's 16 years in the making. **It's designed to have those countries drop tariffs on most goods being imported from Australia and New Zealand and for them to rewrite their regulations for us to much more easily pressure them into privatizing their core State-owned enterprises, for deregulation, for them to drop policies that would protect domestic innovation, and to make it harder, or impossible, for those nations to trade with countries outside of the zone.** It's very difficult to see what benefit there is to the Island nations signing on to this agreement."

Thailand: ITF unions have expressed solidarity with [Thai rail workers fighting privatization](#).

Thailand: The Eastern Economic Corridor Office (EEC Office) is [proposing a high-speed railway PPP linking three main airports worth 200 billion baht](#). "The government will provide the project detail to investors," said Kanit Sangsubhan, secretary-general of the EEC Office. "More than 70 companies, both local and foreign, will attend the market sounding." [Critics say "the project favoured the private sector because of the unusually long concession of 50 years](#). Critics also say the private sector would have the right to develop and profit from the SRT's 150-rai prime plot in Bangkok's Makkasan, as well as land along the railway, in addition to numerous privileges offered under the EEC."

## Inter-Americas

En el marco del Día Mundial del Agua, el Colectivo de Jóvenes de la Internacional de Servicios Públicos – ISP Ecuador [presenta](#) la investigación: "[¿De quién es el agua de Manta?](#)", que analiza la situación del servicio público del agua en Manta en el contexto de la firma de un convenio entre la Empresa Pública del Agua de Manta EPAM y la empresa Veolia, bajo la figura de alianza público - privada.

La investigación aborda aspectos históricos de la gestión del agua en Ecuador, recoge información de la presencia internacional de Veolia, así como su actuación en el país, particularmente en el Municipio de Guayaquil y ahora el proceso que le llevó a compartir competencias para la gestión del agua con EPAM en Manta.

A new report, "Who owns Manta Water? ([¿De quién es el agua de Manta?](#))", launched by PSI Ecuador Young Workers' Committee on World Water Day, analyses public water services in Manta in the context of the signing of a public-private partnership agreement between the Public Water Company of Manta EPAM and the company Veolia.

The research addresses historical aspects of water management in Ecuador, collects information on the international presence of Veolia, as well as its performance in the country, particularly in the Municipality of Guayaquil and the process that led it to share the management of water.

Bahamas: The government has concluded [a build-lease to purchase 'public private partnership' deal for the construction of a set of office buildings](#), which will be financed by private capital then paid for by the government through a 10-year leasing arrangement. "Details of the deal struck by the Christie administration with PPP Investments & Construction Company are disclosed in the latter's \$25 million bond offering, as it seeks to raise the necessary financing from private investors to complete the construction project."

Brazil: [Postal workers resumed work after a two-day strike](#) "to protest poor working conditions, **an attempt to privatize the service** and to demand improvements in social security. The employees suspended the strike after the Superior Labor Court's committed to address part of their demands, especially regarding the health system."

Brazil: The president of the lower house says he is concerned that [legislation to permit the privatization of state-run electricity firm Petrobras is not advancing](#). “Speaking at an event in Rio de Janeiro, Rodrigo Maia said Congress had **faced political difficulties trying to set up a commission to deal with the company’s privatization**, which could portend difficulties in whipping up the votes needed to pass the program. ‘I’m still optimistic, but worried, because I felt last week that **the atmosphere to vote on privatization isn’t so simple**,’ he said.”

Brazil: **Raquel Dodge**, Brazil’s general prosecutor, who was appointed by President Temer, [calls for access to water to be expressed as a fundamental human right in the Brazilian legal system](#). “According to her, this approach is the most appropriate to better protect access to water for vulnerable communities, being an obstacle to **the privatization of fresh water**, as already happens in countries like the Dominican Republic, for example.” She was speaking at the 8th World Water Forum in Brasilia, and also attended the Alternative World Water Forum (Fame), where she made the same point. Some scholars and NGOs have criticized the World Water Forum for prioritizing the interests of the private sector. Dodge also quoted the words of black, gay Rio councillor **Marielle Franco**, [who was assassinated on March 14](#).

Brazil: In his opening speech at Brazil’s Intermodal South America Conference in Sao Paulo, Mauricio Quintella, Brazil minister for transport, ports and civil aviation, [promised to kick-start port privatizations](#) and expansion again and push ahead with a new dredging format for the Port of Santos. He moved that process during the **conference and declared that the new tendering process was nearly ready**.”

Canada: In response to the provincial budget announcement, **CUPE Nova Scotia President Nan McFadgen** says “the McNeil government is [not growing our economy by choosing to support public services](#) and invest in infrastructure, and that’s a mistake we’ll all pay for. (...) **Nova Scotia is rife with privatization deals** and, as **CUPE Economist Toby Sanger** has explained, ‘**accounting rules are widely used to hide the true costs of public-private partnerships and privatization**.’ There is a ‘black hole’ for transparency and accountability. That’s why CUPE Nova Scotia wants to initiate **a review of how the province report P3s in their financial statements, including provincial budgets**.”

Canada: **OPSEU President Warren (Smokey) Thomas** [is skeptical of government promises of needed improvements to health care, mental health and addictions](#), and access to more affordable child care and postsecondary education. “We’ve had fifteen years of austerity, of cuts,” says Thomas. “That’s closer to 25 years when you include the Tories’ time in office. In that time, **our public services have been grossly underfunded, and understaffed**. So, while it’s nice to hear that the government cares, the time for talking about caring has passed, it’s time to do.” Thomas says after the budget is released, “we’ll see then just how committed they are to taking action. **We’ll also see if there’s a real commitment to walk away from costly privatization schemes**.”

Canada: [The Hydro One privatization continues to tie up the Ontario government in court](#). The misfeasance suit, filed by Steven Shrybman and Goldblatt Partners **on behalf of a group of concerned citizens led by the Canadian Union of Public Employees**, is before the Ontario Court of Appeal. “The sad thing is, that even if the courts do hold them accountable, it won’t undo the damage that has been caused,” **said Fred Hahn, President of CUPE Ontario**. “The only way we can reverse the long-term damage is to end the privatization of our hydro system and return Hydro One to public hands.”

Mexico: The **Coalition of Education Workers of Coahuila** demonstrates to demand quality health services and decent pensions from Governor of Coahuila, Miguel Angel Riquelme (PRI). The teachers cite embezzlement from the pension fund and a drop in the quality of medical services. The administration of Rubén Moreira promised audits that were not performed, and pushed laws to require higher charges for providing medical care. “**It is a privatization of health services of teachers**.” They warned that a law passed in December by the PRI majority in Congress, which the teachers say is unconstitutional, means that in a few days retired teachers and their families may not receive

medical attention if they do not cover payments for 30 percent of the value of the service. [El Norte.com, 14 March 2018]

**Mexico:** **Asdrubal Gonzalez, the director of the National Human Rights Network (Renaddhh)** reports to the UN Committee on Economic, Social and Cultural Rights [“that public health policy is increasingly directed to privatization, ‘excluding the enjoyment of this right of millions of Mexicans who have no access to social security.’](#) In the country, he added, it has been gradual dismantling of the pillars of public health, such as the Mexican Institute of Social Security (IMSS) and the Institute for Social Security and Services for State Workers (ISSSTE).”

**Mexico:** **Presidential frontrunner Andrés Manuel López Obrador** says that if elected on July 1, he will ask President Enrique Peña Nieto “to [halt two upcoming oil auctions](#) scheduled to occur before assuming office on December 1. Speaking in Mexico City on the 80th anniversary of Mexican nationalization of oil, the left-wing candidate of the National Regeneration Movement (Morena) spoke about the [prospect of reducing the privatization of energy](#), enshrined in a [2014 reform](#) that aimed to eliminate state-owned oil monopoly.”

**Mexico:** The newly created **Autonomous Citizen Water Comptroller's Office** is preparing its own Water Law proposal for Mexico City. **“Elena Burns, of the Center for Sustainability Centli,** said that the drafting of the proposed law is a process that started in 2012, when a reform of Article 4 of the Constitution **put a lock on the privatization of the liquid, which is not reflected in local regulations.** ‘This reform removed the idea of water as an object of sale, as privatizable, and establishes equitable and sustainable access to water, with citizen participation,’ said Burns.” [CE NoticiasFinancieras, 18 March 2018]

**St. Lucia:** [Unions demand answers over reports of the privatization of the Owen King European Union \(OKEU\) Hospital.](#) “While privatization of the hospital **has up to now been merely talk that has generated much agitation amongst healthcare workers and professionals** — especially nurses — the **Civil Service Association (CSA)**, the **St. Lucia Medical and Dental Association** and the **Nurses Association** have apparently decided it’s about time government faces them to discuss the matter. The trade unions, **all part of the Trade Union Federation (TUF), demanded that government sits with them to explain** not just the type of management it wants for the hospital, but the country’s healthcare in general. They say that healthcare matters of critical importance to the citizenry were not being discussed with them and **accuse government of withholding vital information.**”

**United States:** As the tension surrounding Trump administration firings intensifies, [speculation is rife](#) that Trump may replace Veterans Affairs Secretary David Shulkin, who has opposed [wholesale privatization](#) of the **\$198.6 billion department**, with Fox-TV talk show personality Peter Hegseth. Hegseth, a [veteran right winger](#) with [close ties to right wing groups](#), was passed over in 2017 in favor of Shulkin [because of his inexperience at running such a large organization](#). The VA has almost [400,000 public employees](#), many represented by **The American Federation of Government Employees (AFGE)**.

**United States:** [Private, for-profit prison companies that force immigrant detainees to work for little or no money have some new supporters: eighteen Republican members of Congress.](#) The lawmakers [“sent a letter to Attorney General Jeff Sessions, the head of Immigration and Customs Enforcement \(ICE\), and the Department of Labor,](#) calling for them to help private-prison company GEO Group **defend itself in lawsuits by former detainees.** (...) GEO Group filed the congressmen’s letter with U.S. District Court in the Central District of California on March 12 as part of the *Novoa v. GEO Group* suit. It argues that immigrants should not be able to sue prison companies because they aren’t employees there, and that paying them \$1 per day for their work is lawful. The letter also said that the allegedly forced labor saves the government money and improves detainees’ morale.” [Three of the lawmakers are from Georgia](#), which has a dark history of chain gangs, convict leasing, cruelty and forced labor ([click on Georgia](#)). [Read excerpts from [I Am A Fugitive from a Georgia Chain Gang](#)]

## Europe

The European Court of Auditors (ECA), the European Union's very own Financial Watchdog, has slammed Public Private Partnerships in a no-holds-barred [report](#).

"EU co-financed Public Private Partnerships (PPPs) cannot be regarded as an economically viable option for delivering public infrastructure," reads the opening line of the [ECA's press release](#), calling into question the EU's long-entrenched promotion of the controversial funding mechanism.

Speaking ahead of the ECA's report release, [PSI Deputy General Secretary](#), David Boys said:

"For decades trade unions, civil society groups and the wider public fought against the failed privatisation agenda. Now that the EU's very own financial watchdog is clearly saying PPPs are a bad idea, it's surely time for leaders to take note."

-----

Europe needs to spend €1.5 trillion on social infrastructure between now and 2030 to redress the massive underspend over recent years and to address the increasing demands on social services. This is one of the main arguments of the report, [Boosting Investment in Social Infrastructure in Europe](#), from the High-Level Task Force (HLTF) set up by the European Long-Term Investors' Association and supported by the European Commission.

While the report is very good in identifying the scale of the problem, it fails to address some of the [key reasons why spending on social infrastructure](#) has been too low for too long and so puts too much emphasis on an increased role for private finance.

-----

[EPSU](#), with the support of the ETUI will be holding a seminar for its affiliates on **Defending and promoting public services which** to be held from **4 to 6 July 2018**, in Kiljava, Finland. The seminar will focus on updating participants on the reasons and impact of restructuring, privatisation and PPPs; discussing alternatives and tools for action.

-----

**France:** As France undergoes a wave of strikes and industrial actions in response to President Macron's austerity policies and reforms—such as **the conversion of the SNCF railway system to a share-issuing company (which many see as a future threat of privatization)**, Les Echos says a new poll shows [the French have yet to be convinced of Macron's case for privatization](#). "There was no public debate on this issue during the campaign, so it lacks elements of explanation to understand what Emmanuel Macron wants to do," says Bruno Jeanbart, Deputy CEO of OpinionWay. France is reportedly gearing up for [a wave of new public asset sales](#).

**France:** **The National Confederation of Housing (NLC)** is concerned about provisions of the Housing bill that create a "mobility lease" to facilitate the sale of public housing units. "We are against it 100%," **said Eddie Jacquemart, President of the NLC**, ["because it is the privatization of a public good, funded with national solidarity](#). Private organizations will buy the jewels of public housing."

Ireland: **The National Bus and Rail Union** warns the government of major industrial unrest [if it continues to outsource public bus routes to private, for-profit companies](#). The warning “came after it was confirmed that Bus Éireann has lost six bus routes in the Dublin Commuter Area along the Kildare corridor to one of Britain’s largest bus operators, GoAhead.” **Workers rights and wages are imperiled**. “Asked whether workers’ rights, pay scales and union clauses would be recognised under the tender, [NTA chief executive Anne Graham] said **it would be up to the operator to implement pay scales**. She said the agreement **did not include union recognition** but that Go Ahead would have to comply with all industrial relations legislation.”

Malta: The tourism minister [is refusing to reveal details on a Projects Malta subsidiary and its CEO's remuneration package in parliament](#). “**Projects Malta has been the entity responsible for various privatization and land devolution deals, such as the Vitals Global Healthcare hospital concession** and the sale of land in St George’s Bay to the DB Group for the construction of a high-rise hotel and luxury residence.”

Norway: [The worst political crisis in years](#), which threatened to bring down the government, seems to have been averted by the resignation of the Justice Minister, Sylvi Listhaug, who provoked indignation by a Facebook post in which she accused the opposition of being soft on terrorism suspects. A no-confidence vote was precipitated by the uproar, which the government was poised to lose. [The crisis drew attention to outstanding differences between the two leading parties, including on privatization](#). “**Privatization or Not?** The Conservatives are open to reducing the state’s stakes in several companies, notably in telecoms firm Telenor, where it has permission from parliament to cut its holding to 34 percent from 54 percent. Labour said ahead of last year’s election **it would ask parliament to reverse the Telenor sales permit**.”

Spain: The Cortes of Castilla-La Mancha held [a general debate on free parking lots at hospitals](#) in the region during which none of the three motions by Podemos, PSOE and PP received support from the rest of parliamentarians. “The deputy of **Podemos** said that the parking ‘is a work paid for with public money’ and has remarked that what is intended is ‘a privatization and a repayment,’ repeating that the position of his parliamentary group **is to ‘advance in the recovery of privatized and outsourced services’ so that these ‘are public and free and not private and paid.**”

United Kingdom: “Shocking” proposals to cut health and social care services in Helensburgh and Lomond are causing a backlash. “Unison says it has been inundated with concerns over Argyll and Bute Health and Social Care Partnership (HSCP) plans which, they say, will see 400 redundancies and the privatization of all home care services. **Simon Macfarlane, Unison regional organiser** said: ‘Since news of these shocking proposals began to break, Unison has been inundated with members contacting us to express their dismay and fears, both for their own jobs and the services they provide.’”

United Kingdom: Lawmakers have expressed deep regret over the failure of the May government “to put in place strong guarantees that the UK’s green investment bank [will continue to support renewable energy after its privatization](#)” to Australian bank Macquarie for £1.6bn.

United Kingdom: The Labour Party is demanding an end to a VAT loophole used by NHS trusts which they say could put thousands of jobs at risk. “[Eight trusts have set up private companies and transferred 3,000 support staff such as cleaners and porters into them](#). A Health Service Journal report claims 16 more trusts are drawing up similar plans, affecting another 8,000 staff, to save on VAT bills. **Shadow Health Secretary Jonathan Ashworth** will write to Jeremy Hunt to tell him the move means an ‘unacceptable two-tier workforce.’ He will accuse the Health Secretary of ‘**back door privatization**’ by taking staff off the NHS payroll.”

United Kingdom: Britain’s National Audit Office has just [published a report](#) concluding that reliance on private finance is more expensive than funding projects directly with taxpayers’ money. Currently, in the UK, there are over 700 PFI contracts in existence worth over £60bn (€68bn). The NAO has concluded the cumulative cost could

approach £200bn by the 2040s unless new deals are agreed. The report estimates a group of schools covered by PFI contracts cost 40% plus more to build than if they had been financed by Government borrowings. The difference in the case of hospitals studied was even higher at 70%.

***[Public Services International](#) is a global trade union federation representing 20 million working women and men who deliver vital public services in 150 countries. PSI champions human rights, advocates for social justice and promotes universal access to quality public services. PSI works with the United Nations system and in partnership with labour, civil society and other organisations.***